

Option #8
New Residential Block Intervals, New Tiered Fixed Fee and
Fixed Revenue at 20% of Total Revenue

Option Results Summary

Residential Rates

| Minimum Charge - All Retail Classes | |
|-------------------------------------|----------------|
| Meter Size | Minimum Charge |
| 5/8" | \$ 7.10 |
| 3/4" | \$ 10.00 |
| 1" | \$ 11.80 |
| 1 1/2" | \$ 17.80 |
| 2" | \$ 25.80 |
| 3" | \$ 55.00 |
| 4" | \$ 95.00 |
| 6" | \$ 190.00 |
| 8" | \$ 840.00 |
| 10" | \$ 890.00 |
| 12" | \$ 940.00 |

| Residential Water Rates | | | |
|---|-----------------|------------------------|----------------------------------|
| New Tiered Fixed Fee | | Volumetric Rates | |
| Charge for Total Water Use Ending in Tier | | Rate per 1,000 Gallons | |
| Tier 1 | 0 - 2,000 | \$ 2.40 | Block 1 0 - 2,000 \$ 1.17 |
| Tier 2 | 2,001 - 7,000 | \$ 4.00 | Block 2 2,001 - 7,000 \$ 3.25 |
| Tier 3 | 7,001 - 15,000 | \$ 5.50 | Block 3 7,001 - 15,000 \$ 6.17 |
| Tier 4 | 15,001 - 25,000 | \$ 5.50 | Block 4 15,001 - 25,000 \$ 10.00 |
| Tier 5 | 25,000 - over | \$ 5.50 | Block 5 25,000 - over \$ 12.00 |

| Volatility Measure | |
|--|--------------------|
| Revenue Losses at 2010 Consumption Levels | |
| Approved Rates | \$ (38.20) Million |
| Option Rates | \$ (37.72) Million |
| Volatility Measure | \$ 0.48 Million |
| Positive equals less volatility and lower potential revenue losses | |
| Negative equals more volatility and higher potential revenue losses | |

Residential Bill Comparisons

| Monthly Usage Gallons 5/8" Meter | 2012 Approved Rates | | | |
|-------------------------------------|---------------------|---------------|------------|------------|
| | Minimum Charge | Stability Fee | Volumetric | Total Bill |
| 0 | \$ 7.10 | \$ 4.40 | \$ - | \$ 11.50 |
| 1,000 | \$ 7.10 | \$ 4.40 | \$ 1.17 | \$ 12.67 |
| 2,000 | \$ 7.10 | \$ 4.40 | \$ 2.34 | \$ 13.84 |
| 5,000 | \$ 7.10 | \$ 4.40 | \$ 11.58 | \$ 23.08 |
| 7,727 Annualized | \$ 7.10 | \$ 4.40 | \$ 21.72 | \$ 33.22 |
| 9,000 | \$ 7.10 | \$ 4.40 | \$ 23.90 | \$ 35.40 |
| 15,000 | \$ 7.10 | \$ 4.40 | \$ 71.42 | \$ 82.92 |
| 25,000 | \$ 7.10 | \$ 4.40 | \$ 180.92 | \$ 192.42 |
| 30,000 | \$ 7.10 | \$ 4.40 | \$ 241.87 | \$ 253.37 |
| 60,000 | \$ 7.10 | \$ 4.40 | \$ 607.57 | \$ 619.07 |

| Projected Water Rates | | | |
|-----------------------|----------------------|------------|------------|
| Minimum Charge | New Tiered Fixed Fee | Volumetric | Total Bill |
| \$ 7.10 | \$ 2.40 | \$ - | \$ 9.50 |
| \$ 7.10 | \$ 2.40 | \$ 1.17 | \$ 10.67 |
| \$ 7.10 | \$ 2.40 | \$ 2.34 | \$ 11.84 |
| \$ 7.10 | \$ 4.00 | \$ 12.09 | \$ 23.19 |
| \$ 7.10 | \$ 4.00 | \$ 24.64 | \$ 35.74 |
| \$ 7.10 | \$ 4.00 | \$ 30.93 | \$ 42.03 |
| \$ 7.10 | \$ 5.50 | \$ 67.95 | \$ 80.55 |
| \$ 7.10 | \$ 5.50 | \$ 167.95 | \$ 180.55 |
| \$ 7.10 | \$ 5.50 | \$ 227.95 | \$ 240.55 |
| \$ 7.10 | \$ 5.50 | \$ 587.95 | \$ 600.55 |

| Variances | |
|------------------------|-----------------------|
| Total Bill \$ Variance | Total Bill % Variance |
| \$ (2.00) | -17.4% |
| \$ (2.00) | -15.8% |
| \$ (2.00) | -14.5% |
| \$ 0.11 | 0.5% |
| \$ 3.00 | 9.0% |
| \$ 6.63 | 18.7% |
| \$ (2.37) | -2.9% |
| \$ (11.87) | -6.2% |
| \$ (12.82) | -5.1% |
| \$ (18.52) | -3.0% |

| Fixed & Volume Revenue % by Class | | |
|-----------------------------------|-----------------|----------------------|
| | % Fixed Revenue | % Volumetric Revenue |
| Residential | 25.4% | 74.6% |
| Multifamily | 17.8% | 82.2% |
| Commercial | 16.3% | 83.7% |
| Large Volume | 11.5% | 88.5% |
| Wholesale | 11.0% | 89.0% |
| Total Utility | 20.1% | 79.9% |

Residential Bill Comparisons - Customer Assistance Program Customers (CAP)

| Monthly Usage Gallons 5/8" Meter | 2012 Approved Rates | | | |
|-------------------------------------|---------------------|---------------|------------|------------|
| | Minimum Charge | Stability Fee | Volumetric | Total Bill |
| 0 | \$ - | \$ - | \$ - | \$ - |
| 1,000 | \$ - | \$ - | \$ 1.17 | \$ 1.17 |
| 2,000 | \$ - | \$ - | \$ 2.34 | \$ 2.34 |
| 5,000 | \$ - | \$ - | \$ 11.58 | \$ 11.58 |
| 7,727 Annualized | \$ - | \$ - | \$ 21.72 | \$ 21.72 |
| 9,000 | \$ - | \$ - | \$ 23.90 | \$ 23.90 |
| 15,000 | \$ - | \$ - | \$ 71.42 | \$ 71.42 |
| 25,000 | \$ - | \$ - | \$ 180.92 | \$ 180.92 |
| 30,000 | \$ - | \$ - | \$ 241.87 | \$ 241.87 |
| 60,000 | \$ - | \$ - | \$ 607.57 | \$ 607.57 |

| Projected Water Rates | | | |
|-----------------------|----------------------|------------|------------|
| Minimum Charge | New Tiered Fixed Fee | Volumetric | Total Bill |
| \$ - | \$ - | \$ 0.00 | \$ - |
| \$ - | \$ - | \$ 1.17 | \$ 1.17 |
| \$ - | \$ - | \$ 2.34 | \$ 2.34 |
| \$ - | \$ - | \$ 12.09 | \$ 12.09 |
| \$ - | \$ - | \$ 24.64 | \$ 24.64 |
| \$ - | \$ - | \$ 30.93 | \$ 30.93 |
| \$ - | \$ - | \$ 67.95 | \$ 67.95 |
| \$ - | \$ - | \$ 167.95 | \$ 167.95 |
| \$ - | \$ - | \$ 227.95 | \$ 227.95 |
| \$ - | \$ - | \$ 587.95 | \$ 587.95 |

| Variances | |
|------------------------|-----------------------|
| Total Bill \$ Variance | Total Bill % Variance |
| \$ - | 0.0% |
| \$ - | 0.0% |
| \$ - | 0.0% |
| \$ 0.51 | 4.4% |
| \$ 3.00 | 13.8% |
| \$ 7.03 | 29.4% |
| \$ (3.47) | -4.9% |
| \$ (12.97) | -7.2% |
| \$ (13.92) | -5.8% |
| \$ (19.62) | -3.2% |

| Residential Breakeven Point | |
|--|---------|
| Consumption level where bill at option rates equal bill at average cost of service volume rate of \$4.36 per 1,000 gallons | |
| 13,000 gallons | gallons |

| Revenue Stability Fee For Reserve Fund | |
|--|------|
| Rate per 1,000 Gallons | |
| Rate / 1,000 Gallons | \$ - |
| Volumetric Revenue | |
| Residential | \$ - |
| Multifamily | - |
| Commercial | - |
| Large Volume | - |
| Wholesale | - |
| Total | \$ - |

Assumptions Red indicates major change within option.

2012 Approved Water Revenue with New Tiered Fixed Fee (NTFF) and Fixed Revenue at 20% of Total Revenue

- New rate blocks to reduce total consumption in block 2:
- 0 - 2,000 gals, 2,001 - 7,000 gals, 7,001 - 15,000 gals, 15,001 - 25,000 gals, 25,001 and over
- Fixed revenue goal of 20% of total revenue with goals by class based on cost of service allocation
- \$22.3M revenue from NTFF to meet 20% fixed revenue goal
- Customer class fixed revenue goals based on cost of service based allocation:
 - Residential 25.3% Multifamily 17.8% Commercial 16.3% Large Volume 11.5% Wholesale 11.0%
- Residential NTFF set at block 1 of \$2.40, block 2 at \$4.00, and block 3-5 at \$5.50
- Multifamily & Commercial classes keep current meter based RSF at new cost of service based allocation
- Large Volume & Wholesale customers charged new monthly fixed fee to meet fixed revenue goals
- Customer class volumetric rates reduced to adjust to higher NTFF, meter based fee, or monthly fixed fee

Approved 2012 Water Rates

| Minimum Charge - All Retail Classes | | |
|-------------------------------------|----------------|--------|
| Meter Size | Minimum Charge | |
| 5/8" | \$ | 7.10 |
| 3/4" | \$ | 10.00 |
| 1" | \$ | 11.80 |
| 1 1/2" | \$ | 17.80 |
| 2" | \$ | 25.80 |
| 3" | \$ | 55.00 |
| 4" | \$ | 95.00 |
| 6" | \$ | 190.00 |
| 8" | \$ | 840.00 |
| 10" | \$ | 890.00 |
| 12" | \$ | 940.00 |

| Revenue Stability Fee All Retail Classes | | |
|---|----------------|--------|
| Meter Size | Minimum Charge | |
| 5/8" | \$ | 4.40 |
| 3/4" | \$ | 6.60 |
| 1" | \$ | 9.70 |
| 1 1/2" | \$ | 18.20 |
| 2" | \$ | 27.20 |
| 3" | \$ | 66.00 |
| 4" | \$ | 110.00 |
| 6" | \$ | 220.00 |
| 8" | \$ | 330.00 |
| 10" | \$ | 440.00 |
| 12" | \$ | 506.00 |

| Minimum Charge - Wholesale | | |
|----------------------------|----------------|--------|
| Meter Size | Minimum Charge | |
| 5/8" | \$ | 8.00 |
| 3/4" | \$ | 9.00 |
| 1" | \$ | 10.00 |
| 1 1/2" | \$ | 15.00 |
| 2" | \$ | 20.00 |
| 3" | \$ | 40.00 |
| 4" | \$ | 60.00 |
| 6" | \$ | 120.00 |
| 8" | \$ | 150.00 |
| 10" | \$ | 200.00 |
| 12" | \$ | 250.00 |

**Non-Residential Water Rates
Rate per 1,000 Gallons**

| | | |
|---------------------|-----------------------|------|
| Multifamily | | |
| Off-Peak Rates | \$ | 3.93 |
| Peak Rates | \$ | 4.32 |
| Commercial | | |
| Off-Peak Rates | \$ | 4.69 |
| Peak Rates | \$ | 5.15 |
| Large Volume | | |
| Freescale | | |
| Off-Peak Rates | \$ | 4.41 |
| Peak Rates | \$ | 4.86 |
| Hospira | | |
| Off-Peak Rates | \$ | 4.69 |
| Peak Rates | \$ | 5.15 |
| Samsung | | |
| Off-Peak Rates | \$ | 4.56 |
| Peak Rates | \$ | 5.02 |
| Sematech | | |
| Off-Peak Rates | \$ | 4.45 |
| Peak Rates | \$ | 4.90 |
| Spanson | | |
| Off-Peak Rates | \$ | 4.54 |
| Peak Rates | \$ | 5.00 |
| University of Texas | | |
| Off-Peak Rates | \$ | 4.69 |
| Peak Rates | \$ | 5.15 |
| Peak | July through October | |
| Off-Peak | November through June | |

| Wholesale | | |
|------------------------|----|------|
| Creedmore-Maha WSC | \$ | 3.42 |
| High Valley WSC | \$ | 3.56 |
| Lost Creek MUD | \$ | 4.01 |
| Manor, City of | \$ | 2.99 |
| Manville WSC | \$ | 4.74 |
| Marsha WSC | \$ | 3.58 |
| Morningside Subd. | \$ | 3.99 |
| Night Hawk WSC | \$ | 3.52 |
| North Austin MUD #1 | \$ | 3.71 |
| Northtown MUD | \$ | 3.57 |
| Rivercrest WSC | \$ | 4.25 |
| Rollingwood, City of | \$ | 4.13 |
| Shady Hollow MUD | \$ | 4.14 |
| Sunset Valley, City of | \$ | 3.57 |
| Village of San Leanna | \$ | 3.91 |
| Travis Co. WCID #10 | \$ | 3.97 |
| Wells Branch MUD | \$ | 3.46 |
| Windermere Utility Co. | \$ | 8.24 |

**Residential Volumetric Water Rates
Rate per 1,000 Gallons**

| | | | |
|---------|-----------------|----|-------|
| Block 1 | 0 - 2,000 | \$ | 1.17 |
| Block 2 | 2,001 - 9,000 | \$ | 3.08 |
| Block 3 | 9,001 - 15,000 | \$ | 7.92 |
| Block 4 | 15,001 - 25,000 | \$ | 10.95 |
| Block 5 | 25,000 - over | \$ | 12.19 |

Option #8
New Residential Block Intervals, New Tiered Fixed Fee and
Fixed Revenue at 20% of Total Revenue

Option Rate Summary - Residential

| Minimum Charge - All Retail Classes | |
|-------------------------------------|----------------|
| Meter Size | Minimum Charge |
| 5/8" | \$ 7.10 |
| 3/4" | \$ 10.00 |
| 1" | \$ 11.80 |
| 1 1/2" | \$ 17.80 |
| 2" | \$ 25.80 |
| 3" | \$ 55.00 |
| 4" | \$ 95.00 |
| 6" | \$ 190.00 |
| 8" | \$ 840.00 |
| 10" | \$ 890.00 |
| 12" | \$ 940.00 |

| Revenue Stability Fee for Reserve Fund - All Classes | |
|--|------|
| Rate per 1,000 Gallons | |
| Rate / 1,000 Gallons | \$ - |

| Residential Water Rates | | | |
|---|-----------------|------------------------|----------------------------------|
| New Tiered Fixed Fee | | Volumetric Rates | |
| Charge for Total Water Use Ending in Tier | | Rate per 1,000 Gallons | |
| Tier 1 | 0 - 2,000 | \$ 2.40 | Block 1 0 - 2,000 \$ 1.17 |
| Tier 2 | 2,001 - 7,000 | \$ 4.00 | Block 2 2,001 - 7,000 \$ 3.25 |
| Tier 3 | 7,001 -15,000 | \$ 5.50 | Block 3 7,001 -15,000 \$ 6.17 |
| Tier 4 | 15,001 - 25,000 | \$ 5.50 | Block 4 15,001 - 25,000 \$ 10.00 |
| Tier 5 | Over 25,000 | \$ 5.50 | Block 5 Over 25,000 \$ 12.00 |

Option #8
New Residential Block Intervals, New Tiered Fixed Fee and
Fixed Revenue at 20% of Total Revenue

Option Rate Summary - Non-Residential

| Minimum Charge - All Classes | |
|------------------------------|----------------|
| Meter Size | Minimum Charge |
| 5/8" | \$ 7.10 |
| 3/4" | \$ 10.00 |
| 1" | \$ 11.80 |
| 1 1/2" | \$ 17.80 |
| 2" | \$ 25.80 |
| 3" | \$ 55.00 |
| 4" | \$ 95.00 |
| 6" | \$ 190.00 |
| 8" | \$ 840.00 |
| 10" | \$ 890.00 |
| 12" | \$ 940.00 |

| Minimum Charge - All Wholesale Classes | |
|--|----------------|
| Meter Size | Minimum Charge |
| 5/8" | \$ 8.00 |
| 3/4" | \$ 9.00 |
| 1" | \$ 10.00 |
| 1 1/2" | \$ 15.00 |
| 2" | \$ 20.00 |
| 3" | \$ 40.00 |
| 4" | \$ 60.00 |
| 6" | \$ 120.00 |
| 8" | \$ 150.00 |
| 10" | \$ 200.00 |
| 12" | \$ 250.00 |

| Revenue Stability Fee for Reserve Fund - All Classes | |
|--|------|
| Rate per 1,000 Gallons | |
| Rate / 1,000 Gallons | \$ - |

Multifamily and Commercial Classes

| Multifamily New Meter Based Fixed Fee Charge by Meter Size | |
|--|----------------|
| Meter Size | Minimum Charge |
| 5/8" | \$ 8.05 |
| 3/4" | \$ 12.08 |
| 1" | \$ 17.71 |
| 1 1/2" | \$ 33.81 |
| 2" | \$ 49.91 |
| 3" | \$ 120.75 |
| 4" | \$ 201.25 |
| 6" | \$ 402.50 |
| 8" | \$ 603.75 |
| 10" | \$ 805.00 |
| 12" | \$ 925.75 |

| Commercial New Meter Based Fixed Fee Charge by Meter Size | |
|---|----------------|
| Meter Size | Minimum Charge |
| 5/8" | \$ 7.25 |
| 3/4" | \$ 10.88 |
| 1" | \$ 15.95 |
| 1 1/2" | \$ 30.45 |
| 2" | \$ 44.95 |
| 3" | \$ 108.75 |
| 4" | \$ 181.25 |
| 6" | \$ 362.50 |
| 8" | \$ 543.75 |
| 10" | \$ 725.00 |
| 12" | \$ 833.75 |

| Volumetric Rates Rate Per 1,000 Gallons | |
|--|-----------------------|
| Multifamily | |
| Off-Peak Rates | \$ 3.71 |
| Peak Rates | \$ 4.08 |
| Commercial | |
| Off-Peak Rates | \$ 4.47 |
| Peak Rates | \$ 4.92 |
| Off-Peak | November through June |
| Peak | July through October |

| Large Volume Customers | |
|--|-----------------------|
| New Customer Based Fixed Fee Charge per Month | |
| Meter Size | Minimum Charge |
| Freescale | \$ 28,063.41 |
| Hospira | \$ 2,886.48 |
| Samsung | \$ 50,648.23 |
| Sematech | \$ 2,936.70 |
| Spanson | \$ 17,566.71 |
| Univ. of Tx | \$ 7,143.37 |
| Off-Peak | November through June |
| Peak | July through October |
| Volumetric Rates Rate Per 1,000 Gallons | |
| Freescale | |
| Off-Peak Rates | \$ 3.91 |
| Peak Rates | \$ 4.30 |
| Hospira | |
| Off-Peak Rates | \$ 4.28 |
| Peak Rates | \$ 4.71 |
| Samsung | |
| Off-Peak Rates | \$ 4.03 |
| Peak Rates | \$ 4.43 |
| Sematech | |
| Off-Peak Rates | \$ 4.06 |
| Peak Rates | \$ 4.47 |
| Spanson | |
| Off-Peak Rates | \$ 4.04 |
| Peak Rates | \$ 4.44 |
| University of Texas | |
| Off-Peak Rates | \$ 4.46 |
| Peak Rates | \$ 4.91 |

| Wholesale Customers | | | |
|------------------------|----------------------------|--|--|
| | New Fixed Fee Per Month | Volumetric Rates Rate Per 1,000 Gallons | |
| Creedmore-Maha WSC | \$ 2,919.27 | \$ 3.03 | |
| High Valley WSC | \$ 213.71 | \$ 3.17 | |
| Lost Creek MUD | \$ 11,434.08 | \$ 3.53 | |
| Manor, City of | \$ - | \$ 2.99 | |
| Manville WSC | \$ 1,352.28 | \$ 4.20 | |
| Marsha WSC | \$ 343.90 | \$ 3.19 | |
| Morningside Subd. | \$ 8.10 | \$ 3.85 | |
| Night Hawk WSC | \$ 341.96 | \$ 3.15 | |
| North Austin MUD #1 | \$ 13,053.17 | \$ 3.30 | |
| Northtown MUD | \$ 9,050.28 | \$ 3.19 | |
| Rivercrest WSC | \$ 3,833.13 | \$ 3.80 | |
| Rollingwood, City of | \$ 5,085.90 | \$ 3.66 | |
| Shady Hollow MUD | \$ 9,222.73 | \$ 3.65 | |
| Sunset Valley, City of | \$ 3,034.64 | \$ 3.22 | |
| Village of San Leanna | \$ 157.70 | \$ 3.54 | |
| Travis Co. WCID #10 | \$ 33,434.95 | \$ 3.50 | |
| Wells Branch MUD | \$ 17,308.60 | \$ 3.06 | |
| Windermere Utility Co. | \$ 387.91 | \$ 7.48 | |

**Option #8
 New Residential Block Intervals, New Tiered Fixed Fee and
 Fixed Revenue at 20% of Total Revenue**

Option Revenue Summary

FY 2012 Cost of Service Revenue Requirements

| | Minimum Charge | Revenue Stability Fee | Total Fixed Revenue | Volumetric Rate Revenue | Total Revenue | % Fixed Revenue | % Volumetric Revenue |
|--------------|-----------------------|------------------------------|----------------------------|--------------------------------|----------------------|------------------------|-----------------------------|
| Residential | \$ 16.6 | \$ 9.7 | \$ 26.3 | \$ 77.4 | \$ 103.7 | 25.4% | 74.6% |
| Multifamily | 3.5 | 2.2 | 5.7 | 37.1 | 42.8 | 13.3% | 86.7% |
| Commercial | 4.3 | 3.6 | 7.9 | 55.1 | 63.0 | 12.5% | 87.5% |
| Large Volume | 0.2 | 0.1 | 0.3 | 12.7 | 13.0 | 2.3% | 97.7% |
| Wholesale | 0.1 | - | 0.1 | 11.7 | 11.8 | 0.8% | 99.2% |
| Total | \$ 24.7 | \$ 15.6 | \$ 40.3 | \$ 194.0 | \$ 234.3 | 17.2% | 82.8% |

**Option #8
 Revenue Summary**

| | Minimum Charge | New Tiered Fixed Fee | Total Fixed Revenue | Volumetric Rate Revenue | Total Revenue | % Fixed Revenue | % Volumetric Revenue |
|--------------|-----------------------|-----------------------------|----------------------------|--------------------------------|----------------------|------------------------|-----------------------------|
| Residential | \$ 16.6 | \$ 9.7 | \$ 26.3 | \$ 77.4 | \$ 103.7 | 25.4% | 74.6% |
| Multifamily | 3.5 | 4.2 | 7.6 | 35.2 | 42.8 | 17.8% | 82.2% |
| Commercial | 4.3 | 6.0 | 10.3 | 52.8 | 63.1 | 16.3% | 83.7% |
| Large Volume | 0.3 | 1.2 | 1.5 | 11.5 | 13.0 | 11.5% | 88.5% |
| Wholesale | 0.1 | 1.2 | 1.3 | 10.4 | 11.7 | 11.0% | 89.0% |
| Total | \$ 24.7 | \$ 22.3 | \$ 47.0 | \$ 187.4 | \$ 234.4 | 20.1% | 79.9% |

**New Volumetric Revenue Stability Fee
 For Reserve Fund**

| Volumetric Revenue | |
|---------------------------|-------------|
| Residential | \$ - |
| Multifamily | - |
| Commercial | - |
| Large Volume | - |
| Wholesale | - |
| Total | \$ - |

Option #8
New Residential Block Intervals, New Tiered Fixed Fee and
Fixed Revenue at 20% of Total Revenue

Option Bill Comparisons - Residential

Residential Bill Comparisons

| Monthly Usage Gallons 5/8" Meter | 2012 Approved Rates | | | |
|--|---------------------|-----------------------|------------|------------|
| | Minimum Charge | Revenue Stability Fee | Volumetric | Total Bill |
| 0 | \$ 7.10 | \$ 4.40 | \$ - | \$ 11.50 |
| 1,000 | \$ 7.10 | \$ 4.40 | \$ 1.17 | \$ 12.67 |
| 2,000 | \$ 7.10 | \$ 4.40 | \$ 2.34 | \$ 13.84 |
| 5,000 | \$ 7.10 | \$ 4.40 | \$ 11.58 | \$ 23.08 |
| 7,727 | \$ 7.10 | \$ 4.40 | \$ 21.72 | \$ 33.22 |
| 9,000 | \$ 7.10 | \$ 4.40 | \$ 23.90 | \$ 35.40 |
| 15,000 | \$ 7.10 | \$ 4.40 | \$ 71.42 | \$ 82.92 |
| 25,000 | \$ 7.10 | \$ 4.40 | \$ 180.92 | \$ 192.42 |
| 30,000 | \$ 7.10 | \$ 4.40 | \$ 241.87 | \$ 253.37 |
| 60,000 | \$ 7.10 | \$ 4.40 | \$ 607.57 | \$ 619.07 |

| Option #8 Projected Water Rates | | | |
|------------------------------------|-----------------------|------------|------------|
| Minimum Charge | Revenue Stability Fee | Volumetric | Total Bill |
| \$ 7.10 | \$ 2.40 | \$ - | \$ 9.50 |
| \$ 7.10 | \$ 2.40 | \$ 1.17 | \$ 10.67 |
| \$ 7.10 | \$ 2.40 | \$ 2.34 | \$ 11.84 |
| \$ 7.10 | \$ 4.00 | \$ 12.09 | \$ 23.19 |
| \$ 7.10 | \$ 4.00 | \$ 24.64 | \$ 35.74 |
| \$ 7.10 | \$ 4.00 | \$ 30.93 | \$ 42.03 |
| \$ 7.10 | \$ 5.50 | \$ 67.95 | \$ 80.55 |
| \$ 7.10 | \$ 5.50 | \$ 167.95 | \$ 180.55 |
| \$ 7.10 | \$ 5.50 | \$ 227.95 | \$ 240.55 |
| \$ 7.10 | \$ 5.50 | \$ 587.95 | \$ 600.55 |

| Option #8 Variances | |
|------------------------|-----------------------|
| Total Bill \$ Variance | Total Bill % Variance |
| \$ (2.00) | -17.4% |
| \$ (2.00) | -15.8% |
| \$ (2.00) | -14.5% |
| \$ 0.11 | 0.5% |
| \$ 2.52 | 7.6% |
| \$ 6.63 | 18.7% |
| \$ (2.37) | -2.9% |
| \$ (11.87) | -6.2% |
| \$ (12.82) | -5.1% |
| \$ (18.52) | -3.0% |

Residential Bill Comparisons CAP Customers

| Monthly Usage Gallons 5/8" Meter | 2012 Approved Rates | | | |
|--|---------------------|-----------------------|------------|------------|
| | Minimum Charge | Revenue Stability Fee | Volumetric | Total Bill |
| 0 | \$ - | \$ - | \$ - | \$ - |
| 1,000 | \$ - | \$ - | \$ 1.17 | \$ 1.17 |
| 2,000 | \$ - | \$ - | \$ 2.34 | \$ 2.34 |
| 5,000 | \$ - | \$ - | \$ 11.58 | \$ 11.58 |
| 7,727 | \$ - | \$ - | \$ 21.72 | \$ 21.72 |
| 9,000 | \$ - | \$ - | \$ 23.90 | \$ 23.90 |
| 15,000 | \$ - | \$ - | \$ 71.42 | \$ 71.42 |
| 25,000 | \$ - | \$ - | \$ 180.92 | \$ 180.92 |
| 30,000 | \$ - | \$ - | \$ 241.87 | \$ 241.87 |
| 60,000 | \$ - | \$ - | \$ 607.57 | \$ 607.57 |

| Option #8 Projected Water Rates | | | |
|------------------------------------|-----------------------|------------|------------|
| Minimum Charge | Revenue Stability Fee | Volumetric | Total Bill |
| \$ - | \$ - | \$ - | \$ - |
| \$ - | \$ - | \$ 1.17 | \$ 1.17 |
| \$ - | \$ - | \$ 2.34 | \$ 2.34 |
| \$ - | \$ - | \$ 12.09 | \$ 12.09 |
| \$ - | \$ - | \$ 24.64 | \$ 24.64 |
| \$ - | \$ - | \$ 30.93 | \$ 30.93 |
| \$ - | \$ - | \$ 67.95 | \$ 67.95 |
| \$ - | \$ - | \$ 167.95 | \$ 167.95 |
| \$ - | \$ - | \$ 227.95 | \$ 227.95 |
| \$ - | \$ - | \$ 587.95 | \$ 587.95 |

| Option #8 Variances | |
|------------------------|-----------------------|
| Total Bill \$ Variance | Total Bill % Variance |
| \$ - | 0.0% |
| \$ - | 0.0% |
| \$ - | 0.0% |
| \$ 0.51 | 4.4% |
| \$ 2.92 | 13.4% |
| \$ 7.03 | 29.4% |
| \$ (3.47) | -4.9% |
| \$ (12.97) | -7.2% |
| \$ (13.92) | -5.8% |
| \$ (19.62) | -3.2% |

Option #8
New Residential Block Intervals, New Tiered Fixed Fee and
Fixed Revenue at 20% of Total Revenue

Cost of Service Breakeven Bill Analysis - Residential

| Volume Gallons | Option #8 Projected Rates | | | | | | | | | | Total Bill | Residential Average Cost of Service Block Rates | | | | | | | | | | Total Bill | | |
|----------------|---------------------------|-----------------------|----------------------|---------------|---------------|----------------|-----------------|--------------|---------------|---------------|------------|---|-----------------|--------------|------|------|------|------|------|------|------|------------|------|----------|
| | Minimum Charge 5/8" Meter | Revenue Stability Fee | New Tiered Fixed Fee | Block 1 0 - 2 | Block 2 2 - 7 | Block 3 7 - 15 | Block 4 15 - 25 | Block 5 25 + | Block 1 0 - 2 | Block 2 2 - 9 | | Block 3 9 - 15 | Block 4 15 - 25 | Block 5 25 + | | | | | | | | | | |
| 0 | \$ 7.10 | \$ - | \$ 2.40 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 9.50 |
| 1,000 | \$ 7.10 | \$ - | \$ 2.40 | \$ 1.17 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 10.67 |
| 2,000 | \$ 7.10 | \$ - | \$ 2.40 | \$ 2.34 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 11.84 |
| 3,000 | \$ 7.10 | \$ - | \$ 4.00 | \$ 2.34 | \$ 3.25 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 16.69 |
| 4,000 | \$ 7.10 | \$ - | \$ 4.00 | \$ 2.34 | \$ 6.50 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 19.94 |
| 5,000 | \$ 7.10 | \$ - | \$ 4.00 | \$ 2.34 | \$ 9.75 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 23.19 |
| 6,000 | \$ 7.10 | \$ - | \$ 4.00 | \$ 2.34 | \$ 13.00 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 26.44 |
| 7,000 | \$ 7.10 | \$ - | \$ 4.00 | \$ 2.34 | \$ 16.25 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 29.69 |
| 8,000 | \$ 7.10 | \$ - | \$ 4.00 | \$ 2.34 | \$ 16.25 | \$ 6.17 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 35.86 |
| 9,000 | \$ 7.10 | \$ - | \$ 4.00 | \$ 2.34 | \$ 16.25 | \$ 12.34 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 42.03 |
| 10,000 | \$ 7.10 | \$ - | \$ 5.50 | \$ 2.34 | \$ 16.25 | \$ 18.51 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 49.70 |
| 11,000 | \$ 7.10 | \$ - | \$ 5.50 | \$ 2.34 | \$ 16.25 | \$ 24.68 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 55.87 |
| 12,000 | \$ 7.10 | \$ - | \$ 5.50 | \$ 2.34 | \$ 16.25 | \$ 30.85 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 62.04 |
| 13,000 | \$ 7.10 | \$ - | \$ 5.50 | \$ 2.34 | \$ 16.25 | \$ 37.02 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 68.21 |
| 14,000 | \$ 7.10 | \$ - | \$ 5.50 | \$ 2.34 | \$ 16.25 | \$ 43.19 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 74.38 |
| 15,000 | \$ 7.10 | \$ - | \$ 5.50 | \$ 2.34 | \$ 16.25 | \$ 49.36 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 80.55 |

Option #8
New Residential Block Intervals, New Tiered Fixed Fee and
Fixed Revenue at 20% of Total Revenue

Option Bill Comparisons - Multifamily & Commercial

Non - Residential Bill Comparisons

Multifamily Customers

| Meter Size | Monthly Usage Gallons | 2012 Approved Rates | | | |
|------------|-----------------------|---------------------|-----------------------|-------------|-------------|
| | | Minimum Charge | Revenue Stability Fee | Volumetric | Total Bill |
| 5/8" | 30,000 | \$ 7.10 | \$ 4.40 | \$ 121.80 | \$ 133.30 |
| 1 1/2" | 50,000 | \$ 17.80 | \$ 18.20 | \$ 203.00 | \$ 239.00 |
| 3" | 100,000 | \$ 55.00 | \$ 66.00 | \$ 406.00 | \$ 527.00 |
| 6" | 400,000 | \$ 190.00 | \$ 220.00 | \$ 1,624.00 | \$ 2,034.00 |
| 10" | 800,000 | \$ 890.00 | \$ 440.00 | \$ 3,248.00 | \$ 4,578.00 |

| Option #8 Projected Water Rates | | | |
|---------------------------------|---------------|-------------|-------------|
| Minimum Charge | New Fixed Fee | Volumetric | Total Bill |
| \$ 7.10 | \$ 8.05 | \$ 115.01 | \$ 130.16 |
| \$ 17.80 | \$ 33.81 | \$ 191.68 | \$ 243.29 |
| \$ 55.00 | \$ 120.75 | \$ 383.37 | \$ 559.12 |
| \$ 190.00 | \$ 402.50 | \$ 1,533.47 | \$ 2,125.97 |
| \$ 890.00 | \$ 805.00 | \$ 3,066.93 | \$ 4,761.93 |

| Option #8 Variances | |
|------------------------|-----------------------|
| Total Bill \$ Variance | Total Bill % Variance |
| \$ (3.14) | -2.4% |
| \$ 4.29 | 1.8% |
| \$ 32.12 | 6.1% |
| \$ 91.97 | 4.5% |
| \$ 183.93 | 4.0% |

Commercial Customers

| Meter Size | Monthly Usage Gallons | 2012 Approved Rates | | | |
|------------|-----------------------|---------------------|-----------------------|-------------|-------------|
| | | Minimum Charge | Revenue Stability Fee | Volumetric | Total Bill |
| 5/8" | 30,000 | \$ 7.10 | \$ 4.40 | \$ 145.30 | \$ 156.80 |
| 1 1/2" | 70,000 | \$ 17.80 | \$ 18.20 | \$ 339.03 | \$ 375.03 |
| 3" | 150,000 | \$ 55.00 | \$ 66.00 | \$ 726.50 | \$ 847.50 |
| 6" | 400,000 | \$ 190.00 | \$ 220.00 | \$ 1,937.33 | \$ 2,347.33 |
| 10" | 750,000 | \$ 890.00 | \$ 440.00 | \$ 3,632.50 | \$ 4,962.50 |

| Option #8 Projected Water Rates | | | |
|---------------------------------|---------------|-------------|-------------|
| Minimum Charge | New Fixed Fee | Volumetric | Total Bill |
| \$ 7.10 | \$ 7.25 | \$ 138.57 | \$ 152.92 |
| \$ 17.80 | \$ 30.45 | \$ 323.33 | \$ 371.58 |
| \$ 55.00 | \$ 108.75 | \$ 692.85 | \$ 856.60 |
| \$ 190.00 | \$ 362.50 | \$ 1,847.60 | \$ 2,400.10 |
| \$ 890.00 | \$ 725.00 | \$ 3,464.25 | \$ 5,079.25 |

| Option #8 Variances | |
|------------------------|-----------------------|
| Total Bill \$ Variance | Total Bill % Variance |
| \$ (3.88) | -2.5% |
| \$ (3.45) | -0.9% |
| \$ 9.10 | 1.1% |
| \$ 52.77 | 2.2% |
| \$ 116.75 | 2.4% |

Churches (Actual Customers)

| Meter Size | Annualized Monthly Usage Gallons | 2012 Approved Rates | | | |
|-------------------|----------------------------------|---------------------|-----------------------|--------------|--------------|
| | | Minimum Charge | Revenue Stability Fee | Volumetric | Total Bill |
| 5/8" | 2,158 | \$ 7.10 | \$ 4.40 | \$ 167.10 | \$ 178.60 |
| 3/4" and 1" | 4,467 | \$ 21.80 | \$ 16.30 | \$ 338.73 | \$ 376.83 |
| 2 x 1 1/2" | 77,417 | \$ 35.60 | \$ 36.40 | \$ 6,884.42 | \$ 6,956.42 |
| 5/8" and 1 1/2" | 16,192 | \$ 24.90 | \$ 22.60 | \$ 1,234.11 | \$ 1,281.61 |
| 4 x 2" and 1 1/2" | 584,700 | \$ 121.00 | \$ 127.00 | \$ 46,461.13 | \$ 46,709.13 |
| 2" and 3" | 819,650 | \$ 80.80 | \$ 93.20 | \$ 62,782.08 | \$ 62,956.08 |

| Option #8 Projected Water Rates | | | |
|---------------------------------|---------------|--------------|--------------|
| Minimum Charge | New Fixed Fee | Volumetric | Total Bill |
| \$ 7.10 | \$ 7.25 | \$ 159.27 | \$ 173.62 |
| \$ 21.80 | \$ 26.83 | \$ 322.86 | \$ 371.49 |
| \$ 35.60 | \$ 60.90 | \$ 6,561.79 | \$ 6,658.29 |
| \$ 24.90 | \$ 37.70 | \$ 1,176.32 | \$ 1,238.92 |
| \$ 121.00 | \$ 210.25 | \$ 44,284.96 | \$ 44,616.21 |
| \$ 80.80 | \$ 153.70 | \$ 59,842.02 | \$ 60,076.52 |

| Option #8 Variances | |
|------------------------|-----------------------|
| Total Bill \$ Variance | Total Bill % Variance |
| \$ (4.98) | -2.8% |
| \$ (5.35) | -1.4% |
| \$ (298.13) | -4.3% |
| \$ (42.69) | -3.3% |
| \$ (2,092.92) | -4.5% |
| \$ (2,879.56) | -4.6% |

Schools (Actual Customers)

| Meter Size | Annualized Monthly Usage Gallons | 2012 Approved Rates | | | |
|---------------|----------------------------------|---------------------|-----------------------|---------------|---------------|
| | | Minimum Charge | Revenue Stability Fee | Volumetric | Total Bill |
| 2" | 79,408 | \$ 25.80 | \$ 27.20 | \$ 5,816.29 | \$ 5,869.29 |
| 1 1/2" and 3" | 110,733 | \$ 72.80 | \$ 84.20 | \$ 8,070.37 | \$ 8,227.37 |
| 4" | 177,383 | \$ 95.00 | \$ 110.00 | \$ 13,529.85 | \$ 13,734.85 |
| 1" and 3" | 208,792 | \$ 66.80 | \$ 75.70 | \$ 16,355.75 | \$ 16,498.25 |
| 2 x 2" and 6" | 1,345,375 | \$ 241.60 | \$ 274.40 | \$ 105,007.67 | \$ 105,523.67 |
| 6" | 1,660,750 | \$ 190.00 | \$ 220.00 | \$ 130,154.16 | \$ 130,564.16 |

| Option #8 Projected Water Rates | | | |
|---------------------------------|---------------|---------------|---------------|
| Minimum Charge | New Fixed Fee | Volumetric | Total Bill |
| \$ 25.80 | \$ 44.95 | \$ 5,816.29 | \$ 5,887.04 |
| \$ 72.80 | \$ 139.20 | \$ 8,070.37 | \$ 8,282.37 |
| \$ 95.00 | \$ 181.25 | \$ 13,529.85 | \$ 13,806.10 |
| \$ 66.80 | \$ 124.70 | \$ 16,355.75 | \$ 16,547.25 |
| \$ 241.60 | \$ 452.40 | \$ 105,007.67 | \$ 105,701.67 |
| \$ 55.00 | \$ 108.75 | \$ 130,154.16 | \$ 130,317.91 |

| Option #8 Variances | |
|------------------------|-----------------------|
| Total Bill \$ Variance | Total Bill % Variance |
| \$ 17.75 | 0.3% |
| \$ 55.00 | 0.7% |
| \$ 71.25 | 0.5% |
| \$ 49.00 | 0.3% |
| \$ 178.00 | 0.2% |
| \$ (246.25) | -0.2% |

Option #8
New Residential Block Intervals, New Tiered Fixed Fee and
Fixed Revenue at 20% of Total Revenue

Option Bill Comparisons - Large Volume & Wholesale

Non - Residential Bill Comparisons

Large Volume Customers

| Customer | Monthly Usage Gallons (1,000s) | 2012 Approved Rates | | | | Option #8 Projected Water Rates | | | | Option #8 Variances | |
|---------------------|--------------------------------|---------------------|-----------------------|---------------|---------------|---------------------------------|---------------|---------------|---------------|------------------------|-----------------------|
| | | Minimum Charge | Revenue Stability Fee | Volumetric | Total Bill | Minimum Charge | New Fixed Fee | Volumetric | Total Bill | Total Bill \$ Variance | Total Bill % Variance |
| Freescale | 54,000 | \$ 2,719.83 | \$ - | \$ 246,240.00 | \$ 248,959.83 | \$ 2,719.83 | \$ 28,063.41 | \$ 218,178.00 | \$ 248,961.25 | \$ 1.41 | 0.0% |
| Hospira | 6,803 | \$ 1,290.00 | \$ - | \$ 32,950.21 | \$ 34,240.21 | \$ 1,290.00 | \$ 2,886.48 | \$ 30,088.32 | \$ 34,264.80 | \$ 24.60 | 0.1% |
| Samsung | 93,000 | \$ 3,870.00 | \$ - | \$ 438,340.00 | \$ 442,210.00 | \$ 3,870.00 | \$ 50,648.23 | \$ 387,283.00 | \$ 441,801.23 | \$ (408.77) | -0.1% |
| Sematech | 7,222 | \$ 1,290.00 | \$ - | \$ 33,219.25 | \$ 34,509.25 | \$ 1,290.00 | \$ 2,936.70 | \$ 30,296.91 | \$ 34,523.62 | \$ 14.37 | 0.0% |
| Spanion | 34,059 | \$ 2,429.17 | \$ - | \$ 159,851.26 | \$ 162,280.42 | \$ 2,429.17 | \$ 17,566.71 | \$ 142,185.88 | \$ 162,181.75 | \$ (98.67) | -0.1% |
| University of Texas | 31,486 | \$ 12,949.27 | \$ - | \$ 152,499.17 | \$ 165,448.44 | \$ 12,949.27 | \$ 7,143.37 | \$ 145,110.36 | \$ 165,203.00 | \$ (245.44) | -0.1% |

Wholesale Customers

| Customer | Monthly Usage Gallons (1,000s) | 2012 Approved Rates | | | | Option #8 Projected Water Rates | | | | Option #8 Variances | |
|------------------------|--------------------------------|---------------------|-----------------------|---------------|---------------|---------------------------------|---------------|---------------|---------------|------------------------|-----------------------|
| | | Minimum Charge | Revenue Stability Fee | Volumetric | Total Bill | Minimum Charge | New Fixed Fee | Volumetric | Total Bill | Total Bill \$ Variance | Total Bill % Variance |
| Creedmore-Maha WSC | 7,397 | \$ 97.58 | \$ - | \$ 25,296.94 | \$ 25,394.53 | \$ 97.58 | \$ 2,919.27 | \$ 22,412.20 | \$ 25,429.06 | \$ 34.53 | 0.1% |
| High Valley WSC | 548 | \$ 19.50 | \$ - | \$ 1,949.25 | \$ 1,968.75 | \$ 19.50 | \$ 213.71 | \$ 1,735.71 | \$ 1,968.92 | \$ 0.17 | 0.0% |
| Lost Creek MUD | 24,541 | \$ 196.67 | \$ - | \$ 98,407.57 | \$ 98,604.24 | \$ 196.67 | \$ 11,434.08 | \$ 86,628.11 | \$ 98,258.86 | \$ (345.38) | -0.4% |
| Manor, City of | 10 | \$ 39.00 | \$ - | \$ 29.90 | \$ 68.90 | \$ 39.00 | \$ - | \$ 29.90 | \$ 68.90 | \$ - | 0.0% |
| Manville WSC | 2,500 | \$ 58.58 | \$ - | \$ 11,850.00 | \$ 11,908.58 | \$ 58.58 | \$ 1,352.28 | \$ 10,500.00 | \$ 11,910.86 | \$ 2.28 | 0.0% |
| Marsha WSC | 847 | \$ 19.50 | \$ - | \$ 3,030.92 | \$ 3,050.42 | \$ 19.50 | \$ 343.90 | \$ 2,700.73 | \$ 3,064.13 | \$ 13.72 | 0.4% |
| Morningside Subd. | 55 | \$ 19.50 | \$ - | \$ 217.79 | \$ 237.29 | \$ 19.50 | \$ 8.10 | \$ 210.15 | \$ 237.74 | \$ 0.45 | 0.2% |
| Night Hawk WSC | 901 | \$ 39.00 | \$ - | \$ 3,172.52 | \$ 3,211.52 | \$ 39.00 | \$ 341.96 | \$ 2,839.04 | \$ 3,220.00 | \$ 8.48 | 0.3% |
| North Austin MUD #1 | 32,233 | \$ 1,296.75 | \$ - | \$ 119,585.17 | \$ 120,881.92 | \$ 1,296.75 | \$ 13,053.17 | \$ 106,369.56 | \$ 120,719.48 | \$ (162.44) | -0.1% |
| Northtown MUD | 23,485 | \$ 1,032.50 | \$ - | \$ 83,842.40 | \$ 84,874.90 | \$ 1,032.50 | \$ 9,050.28 | \$ 74,918.00 | \$ 85,000.78 | \$ 125.88 | 0.1% |
| Rivercrest WSC | 8,373 | \$ 412.83 | \$ - | \$ 35,585.11 | \$ 35,997.94 | \$ 412.83 | \$ 3,833.13 | \$ 31,817.27 | \$ 36,063.23 | \$ 65.29 | 0.2% |
| Rollingwood, City of | 11,053 | \$ 350.25 | \$ - | \$ 45,650.85 | \$ 46,001.10 | \$ 350.25 | \$ 5,085.90 | \$ 40,455.72 | \$ 45,891.87 | \$ (109.24) | -0.2% |
| Shady Hollow MUD | 19,255 | \$ 233.50 | \$ - | \$ 79,713.94 | \$ 79,947.44 | \$ 233.50 | \$ 9,222.73 | \$ 70,279.20 | \$ 79,735.43 | \$ (212.01) | -0.3% |
| Sunset Valley, City of | 8,855 | \$ 827.63 | \$ - | \$ 31,612.80 | \$ 32,440.42 | \$ 827.63 | \$ 3,034.64 | \$ 28,513.50 | \$ 32,375.77 | \$ (64.65) | -0.2% |
| Village of San Leanna | 417 | \$ 39.00 | \$ - | \$ 1,629.17 | \$ 1,668.17 | \$ 39.00 | \$ 157.70 | \$ 1,475.00 | \$ 1,671.70 | \$ 3.53 | 0.2% |
| Travis Co. WCID #10 | 72,209 | \$ 557.58 | \$ - | \$ 286,668.21 | \$ 287,225.79 | \$ 557.58 | \$ 33,434.95 | \$ 252,730.16 | \$ 286,722.69 | \$ (503.10) | -0.2% |
| Wells Branch MUD | 43,757 | \$ 731.33 | \$ - | \$ 151,400.83 | \$ 152,132.17 | \$ 731.33 | \$ 17,308.60 | \$ 133,897.85 | \$ 151,937.78 | \$ (194.39) | -0.1% |
| Windermere Utility Co. | 500 | \$ 116.75 | \$ - | \$ 4,120.00 | \$ 4,236.75 | \$ 116.75 | \$ 387.91 | \$ 3,740.00 | \$ 4,244.66 | \$ 7.91 | 0.2% |

**Option #8
 New Residential Block Intervals, New Tiered Fixed Fee and
 Fixed Revenue at 20% of Total Revenue**

Volatility Comparison

2012 Approved Rates & Revenue Requirements

| | Minimum Charge | Revenue Stability Fee | Total Fixed Revenue | Volumetric Rate Revenue | Total Revenue |
|--------------|----------------|-----------------------|---------------------|-------------------------|-----------------|
| Residential | \$ 16.6 | \$ 9.7 | \$ 26.3 | \$ 77.4 | \$ 103.7 |
| Multifamily | 3.5 | 2.2 | 5.7 | 37.1 | 42.8 |
| Commercial | 4.3 | 3.6 | 7.9 | 55.1 | 63.0 |
| Large Volume | 0.2 | 0.1 | 0.3 | 12.7 | 13.0 |
| Wholesale | 0.1 | - | 0.1 | 11.7 | 11.8 |
| Total | \$ 24.7 | \$ 15.6 | \$ 40.3 | \$ 194.0 | \$ 234.3 |

**2012 Approved Rates
 Possible Revenue Losses Based on 2010 Consumption Reductions**

| | Minimum Charge | Revenue Stability Fee | Total Fixed Revenue | Volumetric Rate Revenue | Total Revenue |
|--------------|----------------|-----------------------|---------------------|-------------------------|-----------------|
| Residential | \$ 16.6 | \$ 9.7 | \$ 26.3 | \$ 57.7 | \$ 84.0 |
| Multifamily | 3.5 | 2.2 | 5.7 | 35.5 | 41.2 |
| Commercial | 4.3 | 3.6 | 7.9 | 41.5 | 49.4 |
| Large Volume | 0.2 | 0.1 | 0.3 | 10.5 | 10.8 |
| Wholesale | 0.1 | - | 0.1 | 10.6 | 10.7 |
| Total | \$ 24.7 | \$ 15.6 | \$ 40.3 | \$ 155.8 | \$ 196.1 |

Potential Revenue Losses Based On 2010 Consumption Reductions \$ (38.2)

**Option #8
 Rates & Revenue Requirements**

| | Minimum Charge | New Fixed Fee | Total Fixed Revenue | Volumetric Rate Revenue | Total Revenue |
|--------------|----------------|----------------|---------------------|-------------------------|-----------------|
| Residential | \$ 16.6 | \$ 9.7 | \$ 26.3 | \$ 77.4 | \$ 103.7 |
| Multifamily | 3.5 | 4.2 | 7.6 | 35.2 | 42.8 |
| Commercial | 4.3 | 6.0 | 10.3 | 52.8 | 63.1 |
| Large Volume | 0.3 | 1.2 | 1.5 | 11.5 | 13.0 |
| Wholesale | 0.1 | 1.2 | 1.3 | 10.4 | 11.7 |
| Total | \$ 24.7 | \$ 22.3 | \$ 47.0 | \$ 187.4 | \$ 234.4 |

**Option #8
 Projected Rates - Possible Revenue Losses
 Possible Revenue Losses Based on 2010 Consumption Losses**

| | Minimum Charge | New Fixed Fee | Total Fixed Revenue | Volumetric Rate Revenue | Total Revenue |
|--------------|----------------|----------------|---------------------|-------------------------|-----------------|
| Residential | \$ 16.6 | \$ 9.7 | \$ 26.3 | \$ 57.2 | \$ 83.5 |
| Multifamily | 3.5 | 4.2 | 7.6 | 33.7 | 41.4 |
| Commercial | 4.3 | 6.0 | 10.3 | 39.8 | 50.1 |
| Large Volume | 0.3 | 1.2 | 1.5 | 9.5 | 11.0 |
| Wholesale | 0.1 | 1.2 | 1.3 | 9.4 | 10.7 |
| Total | \$ 24.7 | \$ 22.3 | \$ 47.0 | \$ 149.7 | \$ 196.7 |

Potential Revenue Losses Based On 2010 Consumption Losses \$ (37.7)

Change in Potential Revenue Losses Compared to Approved 2012 Rates \$ 0.5

Positive equals less volatility and lower potential revenue losses
 Negative equals more volatility and higher potential revenue losses

2010 Projected Consumption & Actual Losses (1000 Gallons)

| | Projected Consumption | Actual Consumption | Lost Consumption | % Lost Consumption |
|--------------|-----------------------|--------------------|------------------|--------------------|
| Residential | 18,642,980 | 15,290,505 | 3,352,476 | 18.0% |
| Multifamily | 9,115,285 | 8,727,335 | 387,951 | 4.3% |
| Commercial | 13,284,235 | 10,020,054 | 3,264,181 | 24.6% |
| Large Volume | 2,966,368 | 2,475,124 | 491,244 | 16.6% |
| Wholesale | 3,085,948 | 2,749,027 | 336,921 | 10.9% |
| Total | 47,094,816 | 39,262,044 | 7,832,772 | 16.6% |